

INFORMATION LETTER

NATIONAL CANNERS ASSOCIATION

No. 1763

Washington, D. C.

January 9, 1960

Plans Completed for N.C.A. Convention in Miami Beach

The N.C.A. and C.M.&S.A. jointly will stage their 53rd annual conventions for their members and the canning industry. The convention will bring together cannery and other food processors, their brokers and buyers, and machinery and suppliers, with a total attendance of some 6,000 expected in Miami Beach during the convention period, January 18-20.

The N.C.A. convention will open formally with the Annual Meeting on Monday morning, January 18, at 10 o'clock, with President Norman Sorensen presiding, and with Roger M. Blough of U. S. Steel as the guest speaker.

The convention program then provides a series of technical sessions, starting at 8:30 a.m. with breakfast, devoted to the specialized phases of canning industry problems. Also, N.C.A. will hold a special meeting of the membership on Tuesday afternoon, January 19, for discussion of problems arising out of the use and regulation of pesticides and other chemicals in or on foods.

The schedule of events thus leaves many hours for business contacts.

The N.C.A. and C.M.&S.A. will operate a combined Information and Registration Center on the Caricea Terrace of the Americana Hotel, which will be convention headquarters. Convention delegates should register there to obtain badges for admission to The Cannery Show, copies of the *Convention Directory-Program*, door award cards for the selection of attendance prize winners by the C.M.&S.A., and to board the special convention buses.

Special convention buses will operate along Collins Avenue, connecting all convention hotels and motels with the Americana. The buses will display banners reading, "Cannery Convention Shuttle Bus," and will operate Sunday through Wednesday from 7:30 a.m. to 6 p.m. Buses may be boarded by persons wearing convention badges. Daily schedules will be posted in hotel lobbies or near doorways.

The N.C.A. and C.M.&S.A. have arranged to preregister all persons

who have made hotel reservations through the two sponsoring associations. The registration packets for such persons will be available at the Information-Registration Center without delay. This booth will be open daily Saturday through Monday from 9 a.m. to 5 p.m. and Tuesday and Wednesday from 8 a.m. to 5 p.m.

Also at the Information-Registration Center breakfast tickets for the technical sessions will be distributed. Cannery who have placed advance orders for breakfast tickets may pick them up there. Tickets for each of the breakfast sessions will be sold there, for \$3.50 each, until the start of each session.

The *Convention Directory* is an A-to-Z listing of individuals and firms attending the convention, and also classified sections listing cannery and food processors, brokers and buyers, exhibitors at The Cannery Show, and also all machinery and suppliers.

The *Convention Program*, which is included in the same publication, is a chronological schedule of events, with details of the program sessions, and an alphabetical list of association events.

General N.C.A. offices will be located in the Eastward Room of the Americana, and the Research Laboratories will have their office in Booth 206 in the Machinery Hall. Members will be able to get in touch with N.C.A. staff members through these offices.

This will be the last issue of the *INFORMATION LETTER* until after the Convention. The Convention Issue will reproduce addresses and technical papers that are available for publication and will be distributed as soon after the close of the convention as possible.

1959 Annual Index

The 1959 annual index of the *INFORMATION LETTER* covering all issues from January 3 (No. 1713) through December 30 (No. 1762) is enclosed with this issue of the *LETTER*.

Raw Products Group Seeks To Encourage Tomato Research

The Tomato Projects Subcommittee of the N.C.A. Raw Products Research Committee met in Washington January 6 to discuss tomato production, harvesting, and handling problems. Among the matters which received attention were the new raw tomato quality evaluation procedure developed by the Agricultural Marketing Service of USDA; over-all problems relating to the mechanical harvesting of tomatoes; and the problem of gaining increased support for vegetable research in the USDA.

The Subcommittee met during the afternoon with Dr. W. M. Carleton, assistant director of the Agricultural Engineering Research Division of AMS; William M. Bruce, assistant chief of the Harvesting and Farm Processing Research Branch; and Jordan Levin, in charge of Fruit and Vegetable Harvesting Research. The purpose of the meeting was to discuss possible new methods of handling raw tomatoes from field to plant, particularly the adaptation of bulk handling systems to the mechanization of tomato harvesting. A program whereby the Subcommittee can assist in furthering the development of mechanical harvesting equipment for tomatoes was developed.

Attending this special meeting were Ray T. Floate, Michigan Fruit Cannery, Inc.; A. C. Moll, Stokely-Van Camp, Inc.; M. D. Reeder, H. J. Heinz Company; W. D. Tyler, Curtice Brothers Co.; S. G. Younkin, Campbell Soup Company; and O. C. Zoebisch, Libby, McNeill & Libby.

1959 Pack of Canned Green and Wax Beans

The 1959 pack of canned green beans totaled 23,730,874 actual cases compared with the 1958 pack of 25,359,493 cases, according to a report by the N.C.A. Division of Statistics.

The 1959 pack of canned wax beans is reported at 3,154,255 actual cases compared with the 1958 pack of 2,836,819 cases.

On the basis of standard cases of 24/303's, the total 1959 pack of green

and wax beans amounted to 30,899,512 cases compared with the 1958 pack of 32,234,635 cases.

The total supply of canned green and wax beans (July 1 carryover plus pack since then) available for distri-

bution during the 1959-60 marketing season is 30.6 million cases compared with 31.6 million cases a year ago.

Schedule of Principal Events of the 1960 Convention

TENTATIVE—SUBJECT TO REVISION AND ADDITION

FRIDAY, JANUARY 15

- 7 p.m.—N.C.A. Resolutions Committee, Dinner Meeting, Room 210, Americana Hotel

SATURDAY, JANUARY 16

- 8:30 a.m.—N.C.A. Research Committee, Breakfast Meeting, Carioca Lounge, Americana Hotel
8:30 a.m.—N.C.A. Consumer Service Committee, Breakfast Meeting, Bermuda Room, Americana Hotel
10 a.m.—C.M.&S.A. Board of Directors, Meeting, Bimini Room, Americana Hotel
12:30 p.m.—Administrative Council, Luncheon Meeting, Pan American Room, Americana Hotel
2 p.m.—Old Guard Steering Committee, Meeting, Bimini Room, Americana Hotel
4:30 p.m.—Forty-Niners, Annual Meeting, Argyle Room, Balmoral Hotel
5 p.m.—Forty-Niners Award Ceremony and Reception, King's Terrace, Balmoral Hotel
7 p.m.—State Secretaries Dinner, Pan American Room, Americana Hotel

SUNDAY, JANUARY 17

- 8 a.m.—N.C.A. Claims Committee, Breakfast Meeting, Pan American Room, Americana Hotel
8 a.m.—N.C.A. Legislative Committee, Breakfast Meeting, Barbados Room, Americana Hotel
8 a.m.—N.C.A. Consumer and Trade Relations Committee, Breakfast Meeting, Bermuda Room, Americana Hotel
8 a.m.—Cooperative Processors Association, Breakfast Meeting, Argyle Room, Balmoral Hotel
10 a.m.—N.C.A. Board of Directors, Executive Session, Floridian Room, Americana Hotel
10 a.m.—C.M.&S.A. Annual Meeting, Westward Room, Americana Hotel
12 m.-4 p.m.—The Cannery Show, Exhibition Halls, Americana Hotel
12:30 p.m.—N.C.A. Board of Directors and Food Editors Luncheon, Medallion Room, Americana Hotel
2:30 p.m.—N.C.A. Board of Directors, Executive Session (resumed), Floridian Room, Americana Hotel
2:30 p.m.—Food Editors Conference, Medallion Room, Americana Hotel
6 p.m.—Old Guard Cocktail Party, Starlight Terrace, Americana Hotel
7:45 p.m.—Old Guard Banquet, Bal Masque-Medallion Room, Americana Hotel
8 p.m.—N.C.A. Research Smoker, Brigadoon Room, Balmoral Hotel

MONDAY, JANUARY 18

- 7:30 a.m.—Processed Apples Institute, Breakfast Meeting, Barbados Room, Americana Hotel
8 a.m.—N.C.A. Fishery Products Committee, Breakfast Meeting, Pan American Room, Americana Hotel
9 a.m.—N.C.A. Nominating Committee, Bermuda Room, Americana Hotel

- 9:30 a.m.—National Preservers Association, Annual Convention (first session), Charlemagne Room, Deauville Hotel

- 10 a.m.—N.C.A. Annual Meeting, Bal Masque-Medallion Room, Americana Hotel

- 10 a.m.-4 p.m.—The Cannery Show, Exhibition Halls, Americana Hotel

- 12:30 p.m.—N.C.A. Procurement Committee, Luncheon Meeting, Bermuda Room, Americana Hotel

- 12:30 p.m.—N.C.A. Raw Products Research Committee, Luncheon Meeting, Westward Room, Americana Hotel

- 12:30 p.m.—N.C.A. Statistics Committee, Luncheon Meeting, Floridian Room, Americana Hotel

- 2 p.m.—N.C.A. Labeling Committee, Meeting, Pan American Room, Americana Hotel

- 2 p.m.—N.C.A. Equipment Sanitation Committee, Meeting, Brigadoon Room, Balmoral Hotel

- 2:30 p.m.—C.M.&S.A. Ladies Day Program, Bal Masque, Americana Hotel

- 7 p.m.—C.M.&S.A. President's Reception, Peacock Alley, Deauville Hotel

- 8 p.m.—C.M.&S.A. Dinner Dance, Napoleon Room, Deauville Hotel

TUESDAY, JANUARY 19

- 8:30 a.m.—N.C.A. Research and Technical Session (breakfast), Bal Masque Room, Americana Hotel

- 8:30 a.m.—N.C.A. Raw Products Session (breakfast), Medallion Room, Americana Hotel

- 8:30 a.m.—N.C.A. Marketing Session (breakfast), Caribbean Suite, Americana Hotel

- 8:30 a.m.—N.C.A. Fishery Products Session (breakfast), Pan American Room, Americana Hotel

- 9:30 a.m.—National Preservers Association, Annual Convention (second session), Charlemagne Room, Deauville Hotel

- 10 a.m.-4 p.m.—The Cannery Show, Exhibition Halls, Americana Hotel

- 2 p.m.—N.C.A. Membership, Executive Session on "Food Regulation Today," Bal Masque-Medallion Room, Americana Hotel

- 2 p.m.—FAWS Conference on Fish Cannery Problems, Westward Room, Americana Hotel

- 7 p.m.—Young Guard Banquet and Entertainment, The Club Siam, Carillon Hotel

WEDNESDAY, JANUARY 20

- 8:30 a.m.—N.C.A. Research and Technical Session (breakfast), Bal Masque Room, Americana Hotel

- 8:30 a.m.—Raw Products Session (breakfast), Medallion Room, Americana Hotel

- 8:30 a.m.—Marketing Session (breakfast), Caribbean Suite, Americana Hotel

- 10 a.m.-4 p.m.—The Cannery Show, Exhibition Halls, Americana Hotel

- 2 p.m.—N.C.A. Statistical Quality Control Workshop, Floridian Room, Americana Hotel

1959 PACK OF CANNED GREEN AND WAX BEANS BY STATES

State	1958		1959	
	All Green (actual cases)	Wax	All Green (actual cases)	Wax
Maine and Vermont.....	166,652	191,542	181,519	239,138
New York.....	2,999,734	1,120,637	2,733,206	1,211,835
Maryland and Delaware.....	2,470,720	22,545	1,983,416	50,826
Pennsylvania.....	834,012	189,023	702,422	214,270
Michigan.....	780,379	282,770	875,382	306,602
Wisconsin.....	2,424,148	803,387	2,684,494	938,601
Kentucky and Tennessee.....	1,147,738		904,481	
Ark., Mo., and Okla.....	2,025,872	(a)	1,497,106	(a)
Florida.....	496,487	(a)	509,106	
Texas.....	1,161,836		1,163,540	
Colo., Utah, and Idaho.....	984,729	131,032	1,011,759	115,309
Washington and Oregon.....	7,073,487	53,833	6,968,634	51,386
California.....	1,877,739		1,733,139	
Other states.....	945,060	42,050	782,070	36,132
U. S. Total.....	25,350,493	2,836,819	23,730,874	3,154,255

(a) Small amount included under green beans.

1959 Pack of Canned Pears

The 1959 pack of canned pears totaled 11,787,950 actual cases compared with the 1958 pack of 9,777,495 cases, according to a report by the N.C.A. Division of Statistics.

On the basis of standard cases of 24/2½, the 1959 pack amounted to 9,498,977 cases compared with the 1958 pack of 7,883,346 cases.

The total supply of canned pears available during the 1959-60 season is 11,589,000 cases, basis 24/2½, compared with 10,371,000 cases a year ago.

State	1958 (actual cases)	1959 (actual cases)
Northwest.....	4,356,733	4,647,489
California.....	4,733,742	6,427,225
Other states.....	685,020	713,236
U. S. Total.....	9,777,495	11,787,950

Poultry Used in Processing

Poultry used in canning and other processed foods during the first 11 months of 1959 totaled 260,210,000 pounds, 9 percent more than the 238,881,000 pounds used during the same period of 1958, according to a report by the Agricultural Marketing Service of USDA.

	Jan.-Nov. 1958	1959 (thousands of pounds)
Young chickens.....	34,929	46,360
Mature chickens.....	148,481	141,379
Turkeys.....	85,387	72,362
Other poultry.....	114	109
Total, Jan.-Nov.....	238,881	260,210

1959 Packs of Catsup and Chili Sauce

Reports on the 1959 packs of catsup and chili sauce have been issued by the N.C.A. Division of Statistics.

1959 PACK OF TOMATO CATSUP

	Units per case	1958 (actual cases)	1959 (actual cases)
Glass:			
12 oz.....	24	1,656,843	1,884,727
14 oz.....	24	18,629,565	16,369,308
18, 20, and 24 oz.....	12	4,600,900	4,446,900
No. 10 tin.....	6	3,426,383	2,962,211
Misc. tin and glass ..		50,605	110,817
U. S. Total.....		28,364,305	25,773,963

On the basis of standard cases of 24/14½, the 1959 pack amounted to 27,242,685 cases compared with the 1958 pack of 30,254,556 cases.

1959 PACK OF CHILI SAUCE

	Units per case	1958 (actual cases)	1959 (actual cases)
12 oz. glass.....	12	1,504,189	2,286,576
No. 10 tin.....	6	311,356	395,088
Misc. tin and glass ..		283,120	373,976
U. S. Total.....		2,098,665	2,826,240

On the basis of standard cases of 12/12½, the 1959 pack amounted to 3,948,378 cases compared with the 1958 pack of 3,175,065 cases.

Sugar Quotas for 1960

Sugar quotas for 1960 totaling 9,400,000 short tons, raw value, have been established by USDA. This is the same level of requirements in effect at the end of 1959 and compares with the initial estimate of 1959 requirements of 9,200,000 tons.

Canned Fruit Export Outlook

The outlook for exports of canned deciduous fruits in 1959-60 appears more favorable than in 1958-59, according to the Foreign Agricultural Service of USDA, because of lower prices and good market opportunities.

In a report on prospects for foreign trade, FAS said:

"Market opportunities in 1959-60 for exports of canned deciduous fruits appear somewhat more favorable than last season. The West German tenders appear likely to equal or exceed those issued in 1958-59. The United Kingdom announced in May that its 1959-60 quota for imports of canned deciduous fruit from the dollar area would amount to 3,200,000 pounds, sterling, c.i.f., which was nearly half again larger than the 1958-59 quota. In addition, it seems likely that Denmark's quota for imports of canned fruits in 1959-60 will be substantially larger than its 1958-59 quota."

In the following tables are shown the U. S. share of world production and trade in canned deciduous fruits, and the percent of U. S. sales exported according to principal destination, in recent years:

Crop Year	U. S. share of world	
	Production (percent)	Trade (percent)
1953.....	82	35
1954.....	75	29
1955.....	76	37
1956.....	76	43
1957.....	73	39
1958.....	72	39

Crop Year	U. S. sales exported		
	Canada	Europe	Other
	(percent)		
1953.....	1.4	1.7	1.1
1954.....	1.8	1.5	1.1
1955.....	1.3	3.2	1.2
1956.....	1.9	3.6	1.3
1957.....	2.1	4.8	1.4
1958.....	1.6	4.0	1.1

N.C.A. Staff at Cannery Schools

Members of the N.C.A. staff are taking part in cannery schools held by state cannery associations.

Dr. H. L. Stier, Director of the Statistics Division, spoke at the Illinois Cannery School for growers, fieldmen and plant operators January 7 on "The Economics and Future of Canning Crop Production."

Dr. C. H. Mahoney, Director of the Raw Products Research Bureau, will be on the program of the raw products conference arranged by the Michigan Cannery and Freezers Association January 11. He will discuss the proper use of pesticides by the canner.

FDA Policy on Approval of Food Additives

The Food and Drug Administration has published in the *Federal Register* of December 31 its policy on extensions of time for compliance by food and chemical manufacturers with the requirements of the Food Additives Amendment.

FDA said that although there are many chemicals commonly used in foods which are generally recognized as safe, there are numerous others for which safe tolerances must be established by regulation. The agency said it is not possible at this time to determine whether tolerances will be established for them before the Food Additives Amendment will become fully effective. Manufacturers, distributors, users, and food law enforcement officials need to know the status of these additives under the amendment prior to March 6, 1960, so that they will know whether they may be employed after that date.

FDA pointed out that all food additives must be cleared for use before the March 6 date unless an extension is granted. Use of a food additive without a formal authorizing regulation or an extension of time after March 6 will cause the food containing it to be adulterated and illegal for shipment, the agency added.

According to the law, this date may be extended on a product-by-product basis for a time not to exceed 12 months "on the basis of a finding that such extension involves no undue risk to the public health and that conditions exist which necessitate the prescribing of such an additional period." Extensions may be granted only for uses of a food additive that was in use prior to January 1, 1958.

Extensions will not be granted for a food additive if appropriate tests show the production of cancer in test animals at any dosage level. Nor will they be granted if such tests show alarming symptoms other than cancer in any dosage, unless experimental data show a level of feeding to test animals that is safe to the animal and provides a satisfactory margin of safety for the levels in the human diet.

Requests and supporting data for time extensions should be filed with the Commissioner of Food and Drugs by February 1, 1960, FDA said. This will permit the agency to act on the

requests and publish its decisions in the *Federal Register* before the law takes effect. Manufacturers, distributors, users, and food law enforcement officials will thus be informed as to the specific food additives that may legally be used.

Each request for an extension should be addressed to the Commissioner of Food and Drugs, and should give:

- (1) The name and chemical composition of the food additive for which extension is requested.
- (2) A statement of the uses of the food additive for which extension is requested and evidence that these uses were recognized prior to January 1, 1958.
- (3) Information about the physical or technical effect produced by the additive, and the quantity needed to produce such effect.
- (4) Information about the quantity of the additive expected in or to be added to the food.
- (5) Available information which indicates that these amounts of the additive in food will not jeopardize the public health.
- (6) A statement of the reason(s) why a tolerance has not previously been requested.

Froth Flotation Process Cleared by FDA

The froth flotation process for cleaning green peas and lima beans has been the subject of some speculation since the passage of the Food Additives Amendment of 1958. The process, developed by USDA scientists, makes use of a mineral oil emulsion, and this raised the question of its status under the Additives Amendment.

In response to a recent inquiry from N.C.A., the Food and Drug Administration consulted its records and found that this process had been considered in 1944. At that time it was apparent that when the process was properly used, no mineral oil remained in or on the product as packed. The FDA therefore had no objection at that time to the process being used.

The FDA has acquired no information since then which would change this view, it was stated. Therefore no food additive problem is visualized at this time, assuming that the method as now used is essentially unchanged.

Problem of Acid Soils Studied by USDA Scientists

Several recent research findings indicating the complexity of the problem of high soil acidity in many U. S. agricultural areas have been reported by the USDA.

A trend toward increased use of nitrogen fertilizers coupled with reduced use of liming materials is believed by soil scientists of USDA's Agricultural Research Service to be a factor of increasing importance in increased soil acidity in the last decade. More than 50 field experiments being conducted by ARS in cooperation with state experiment stations on 23 agriculturally important types of soil are helping to show how soil acidity decreases crop yields.

In one experiment, two similar soils having the same acidity were limed and planted to alfalfa. One soil gave a 400 percent yield increase while the other gave only a 25 percent increase.

Liming acid soils improves the efficiency of fertilizer utilization sometimes as much as four-fold. This has been shown by many studies carried out by various research agencies in the past. Present research is aimed at finding out what specific soil characteristics are responsible for poor crop yields in acid soils.

Toxic concentrations of manganese and aluminum may be the most common cause of poor plant growth in acid soils, ARS scientists believe. Manganese toxicity has been identified both in cotton plants grown in the Southeast and more recently in Puerto Rican coffee plants. In both areas, soil acidity has been increased by heavy use of nitrogen fertilizer with little or no lime.

Soil acidity is one of the most serious soil management problems in the Southeast and the East and is an important problem in the Corn Belt, according to ARS soil scientist R. W. Pearson.

Between 1947 and 1957, use of nitrogen fertilizers increased from less than a million to 2.3 million tons annually. Simultaneously, the use of limestone dropped by more than one-third—from 28 million tons in 1947 to 18 million tons in 1954. By 1958, use of limestone was back up to 22 million tons annually, but 80 million tons a year are estimated to be needed for optimum soil reaction.

Scientists feel strongly that acidity in U. S. soils is a serious matter, but would like to be able to answer more questions about how it affects plant

growth. Research is now being directed toward finding answers to questions like these:

(1) Under what conditions and for which crops and soils are aluminum and manganese toxicities of particular importance?

(2) Is aluminum or manganese toxicity the more important problem?

(3) What are the interactions of nutrients such as phosphorus with toxic levels of aluminum and manganese?

(4) How and to what extent does organic matter alleviate the toxicity of these elements?

(5) What are the critical levels of these elements in important crops?

AAAS-Campbell Award for Vegetable Research

Dr. Charles M. Rick, Jr., professor of vegetable crops on the University of California campus at Davis, has received the 1959 award of the American Association for the Advancement of Science and the Campbell Soup Company for vegetable research.

Dr. Rick's basic research, shedding light on the biological relationships of cultivated tomato varieties and their wild relatives, won him the award, consisting of \$1,500 and a bronze medal. The award was presented at the meeting of the American Association for the Advancement of Science in Chicago December 28.

The award was established two years ago by Campbell Soup Company and is granted for "an outstanding single research contribution, of either fundamental or practical significance, relative to the production of vegetables . . . for processing purposes."

Dr. Rick's research has taken him through Ecuador, Peru, and northern Chile, where the tomato is native. He has devoted long study to cultivated South American tomatoes, their variability and natural hybridization with each other and with wild forms. His tests showed natural cross-pollination as high as 25 percent among cultivated tomatoes in the area of their origin.

Another phase of his research is a study of the genetic architecture of the cultivated tomato. Here he has found a concentration of genes in one of the chromosomes. Although this situation is unusually interesting genetically, it can lead to difficulties in certain breeding operations, according to Dr. Rick.

N.C.A. Issues Recipe Book, First in a New Series

The first of a series of new recipe booklets for homemakers was issued last week by the N.C.A. Consumer Service Division. Entitled *15 Casserole Treasures*, it presents recipes using canned foods in casserole cookery.

There is evidence that women like recipe booklets devoted to a single subject. In response to suggestions from food editors, homemakers, and others for such specialized booklets, the Consumer Service Division has planned a series that will include recipe booklets covering all classifications of canned foods. Other booklets to follow will include vegetables, salads, desserts, and party foods.

Casserole cookery was chosen as the subject of the first of the new booklets in response to numerous requests for casserole recipes, characterized in the requests as "good," "quick," "something special," "party make-ahead," "from-the-shelf," and "something the men of the family will like."

The casserole recipe booklet was nationally distributed to magazine and newspaper food editors, radio and television women, business home economists, and other food leaders.

The recipes were developed by Gloria Hansen, test kitchen home economist. All were taste-test approved by samplers in the N.C.A. kitchens and were selected to fit a variety of needs. Some are for family economy meals and others are for more elaborate party or family functions, and include quick and easy recipes as well as creative cookery ones.

N.C.A. Quantity Recipe Book Is Used by Church Groups

The N.C.A. Consumer Service Division reports a heavy increase in requests for single copies of the book *Quantity Recipes for Institutional Food Service* from church food committees. Requests for 1959 totaled more than 12,000 copies for community use, and were largely the result of magazine and newspaper reviews given the book under such titles as "Cooking for Groups," "Cooking for Many," "For a Crowd," and "Quantity Recipes." In all of the reviews emphasis was given the fact that the book was not for general distribution but was available to community committees who prepare group meals.

Interesting comments have been included in the request letters. Many

church committees point out that from two a month to weekly dinners are served. Size of groups range from 50 to several hundred. A few repeat requests have come in "because the book disappeared," "is getting badly worn," or "we need an extra copy because when more than one recipe from the book is being made the committee is divided into work units."

Buying canned foods by church and other community committees for meal functions varies. There is evidence that consumer size cans and jars of food are frequently purchased from a local retail grocer, while some committees purchase in institutional sizes. The N.C.A. recipe book contains a table, "Substituting One Can for Another Size," so that recipes can be used either with institutional or consumer sizes of containers.

N.C.A. Leaflet Publicized in Dietitians' Journal

A leaflet *Of Recipes . . . and Can Sizes*, issued by the N.C.A. Consumer Service Division, was brought to the attention of dietitians in the January issue of the *Journal of the American Dietetic Association*.

In the editorial column "News of Products and Services" the following review was included. "A revision of the leaflet, 'Of Recipes . . . and Can Sizes,' from National Cannery Association brings up to date the latest data on can and jar sizes used for numerous foods. Home economists in the canning industry have simplified the nomenclature for consumer use. Industry terms—'No. 2 can,' for example—are now designated by weight or fluid ounces or by use of cup identification. Tables give both the industry and consumer terms. The last page of the four-page folder lists the homemakers' choice sizes of canned fruits, juices, and vegetables."

Safe Loading of Food Products

The Association of American Railroads will hold an all-day seminar on safe loading and freight damage prevention, in Atlanta, Ga., January 21. Packaging and methods of loading food products will be covered at a morning session which will be conducted by E. J. Kraska, AAR canned foods specialist, and R. Maeda, traffic manager of John Sexton Co., Atlanta. The AAR seminar will be held in the Dinkler-Plaza Hotel, with the food products discussion scheduled from 9:40 a.m. to noon.

C&TR Canned Foods Releases

A special Christmas dinner release featuring canned onions and canned mushroom soup was issued to the Associated Press Radio Service under the N.C.A. Consumer and Trade Relations Program. This special service goes to 1,400 radio stations with an estimated audience of 12,242,510.

The value of including canned foods in baskets for the needy was stressed in a release to United Press Radio Service, issued just prior to the holiday season. The release was another of the projects of the C&T.R. Program, and went to 1,628 radio stations with an estimated listening audience of 14,960,566.

The script advised the public as follows: "When you pack baskets for the needy, don't include foods that are perishable. Canned foods are ideal as they keep indefinitely and don't need refrigeration. There's such a wide selection of canned meat, fish and poultry as well as fruits, vegetables and many specialty items that will be enjoyed throughout the year."

IRS Seeks To Check Abuses In Expense Accounting

The Internal Revenue Service has outlined the steps it is taking to deal with "tax abuses in entertainment and employee expense accounts." The IRS also has solicited the assistance of business and trade associations in calling attention to the problem.

In Technical Information Release No. 198 the Service has stated the problem and described its enforcement program.

The enforcement program includes new or expanded sections in tax forms filed by corporations, partnerships, and individuals, in which taxpayers will be required to furnish information regarding expense account allowances.

Also, a program is being initiated whereby, during the course of every examination of a return of a taxpayer who pays for travel, entertainment and other business expenses of his employees, the examining officer will ascertain whether the taxpayer uses acceptable business practices in requiring an accounting of business expenses incurred by his employees.

Following is the IRS' statement of the problems relating to entertainment expense and employees' expense accounts:

1. Personal Expenses Claimed as Business Deductions

There is a growing trend for corporations, partnerships and sole proprietorships to assume the cost of personal expenses of officers, employees, partners, proprietors, and others, and to deduct such costs on their tax returns as ordinary and necessary business expenses. This problem has been greatly magnified due to the increased use of credit cards in recent years for purchasing goods and services of a personal nature. In these cases the officer or employee makes no accounting in his own tax return for the benefits received.

(a) Country club and athletic club dues and charges;

(b) Travel expense of wives, children, and relatives who accompany an officer, employee, partner, or proprietor on a business trip;

(c) Travel expense of a personal nature, coupled with or independent of a business trip, particularly when visits are made to resort or vacation areas or to homes of friends or relatives; and

(d) Maintenance, operation, or rental of automobiles, yachts, hunting lodges, fishing camps, resort properties, houses, apartments, hotel suites, etc.

2. Failure by Employees to Report as Gross Income Expense Account Allowances or Reimbursements Received from Employers Which have not been Accounted for to their Employers

(a) *Reporting requirements.* To simplify tax reporting requirements, Internal Revenue regulations relating to employees' business expenses (Sec. 1.162-17) provide that an employee who is required to and does account to his employer for his business expenses need not report on his tax return the amount of such expenses or the reimbursements, allowances, or charges made to his employer therefor, unless he wishes to claim a deduction for expenses in excess of the reimbursements, allowances and charges.

However, where the employee is not required to account to his employer for his business expenses, he must report on his return such expenses and the reimbursements, allowances, or charges made to his employer therefor. Despite the great amount of publicity given to this matter, a large number of employees who are required to report expense allowances and reimbursements on their returns do not do so and do not properly answer the questions relating to these expense accounts on their individual income tax returns.

(b) *Accounting practices of employers.* In many cases amounts paid as additional compensation are identified or classified by the employer as allowances or payments for other ex-

penses. These accounting practices of some employers make identification of such compensation difficult. For example, some employers pay for the personal expenses of their employees or for members of employees' families. Also, some employers give certain of their employees fixed expense account allowances far in excess of their actual or expected expenses. In these cases, the payments of personal expenses and the excessive amounts of the expense account allowances are intended as additional compensation, but are not included on Forms W-2, since the employer does not classify these payments as wages or compensation.

(c) *Commission salesmen.* Many salesmen paid on a straight commission basis have an arrangement whereby they submit expense accounts to their employers and have their employers designate part of their commissions as reimbursement of expenses. Since such amounts actually represent compensation for services, they should be reported as such.

Furthermore, it is clear that in these cases there is no true accounting to the employer because the employer, having no adverse interest, is not concerned whether the amounts reported to him are accurate. However, these salesmen profess to believe that by adopting this procedure they have accounted to their employer for business expenses within the meaning of the regulations and, therefore, are relieved of the burden of reporting that part of their commissions as income.

3. Deductions Based on Estimates or Inadequate Records

A large number of taxpayers do not keep adequate records and supporting documents on travel and entertainment expenses. In the case of employees, this is particularly true of those who are not required to and do not account to their employer for these expenses. Many taxpayers receive an advantage, taxwise, as a result of their poor record keeping, by claiming deductions for travel and entertainment expenses based on estimates in excess of the amounts actually expended for business purposes. The only procedure available to the Service for determining the correct tax liability in such instances is a reconstruction of expenses under the *Cohan* rule.

In the *Cohan* case, the court held that a taxpayer who incurred such expenditures but did not keep adequate records of them should be allowed as close an approximation as possible. (It should be noted, however, that the court emphasized that the burden of proof should bear heavily upon the taxpayer whose inexactitude is of his own making. In those cases the taxpayer often loses deductions to which he would have been entitled had he maintained adequate records.)

Status of Legislation

The second session of the 86th Congress was convened January 6. All legislation pending when the first session was adjourned in September remains in its status as of that time. Following is the status of legislation of interest and concern to the canning industry:

Agricultural Policy Commission—S. 2395 (Stennis) and H. R. 8335 (McIntire), to authorize such a study group, are pending in the Agriculture Committees.

Agricultural research—S. 690, providing for an Agricultural Research and Industrial Administration within USDA, to conduct research on industrial uses, was passed by the Senate July 28 and by the House, in amended form, Sept. 1, 1959; the House substituted the text of a bill (H. R. 8639) that would create an Agricultural Research and Development Commission as an independent agency, to recommend research programs in production, marketing, and increased industrial uses.

Antitrust enforcement—S. 716, to compel the production of documentary evidence, was passed by the Senate July 29, 1959, and is pending in House Antitrust Subcommittee, as is H. R. 4792 (Celler), the Administration's proposal.

Consumer expenditures—H. R. 4420 (Zablocki), to authorize an FTC investigation of the farmer's share, is pending in House Commerce Com.

Co-op jurisdiction—H. R. 200 (Mason), to transfer jurisdiction over pricing from USDA to Justice Dept., is pending in House Judiciary Com.

Co-op marketing—S. 2014, to authorize associations of agricultural producers to own and operate marketing facilities, was the subject of hearings by Senate Agriculture Committee in 1959.

Country Life Commission—Bills providing for the study were considered by House Agriculture Committee in 1959.

Crew leader registration—S. 1778 (Javits) and S. 2498 (Williams of N. J.) were the subject of hearings by Senate Subcommittee on Migratory Labor in 1959. H. R. 5930 (Kearns) is pending in a House Labor Subcommittee. N.C.A. opposes.

Fair trade—H. R. 1253 was reported by House Commerce Committee June 9, 1959, and was the subject of a hearing Aug. 3, 1959, by Rules Committee, which indicated further study to be needed. S. 1083 is pending in a Senate Commerce Subcommittee.

FDA artificial coloring—S. 2197, with amendments, was passed by the

Senate Aug. 24, 1959, and is pending in House Commerce Committee.

Federal pre-emption—H. R. 3 was passed by the House June 24, 1959, and referred to Senate Judiciary Committee, whose Internal Security Subcommittee held hearings on S. 3 in 1959. N.C.A. opposes application to food laws.

Foreign investment—H. R. 5 (Boggs), to amend the Internal Revenue Code to encourage private investment abroad, was approved tentatively Aug. 19, 1959, by House Ways and Means Committee which instructed its staff to draft an amended bill.

FTC cease-and-desist orders—H. R. 8841 (Steed) and similar bills to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of FTC proceedings, are pending in House Commerce Committee.

Marketing of potatoes—S. 17 is pending in Senate Agriculture Com.

Marketing of poultry—H. R. 1344 (Siak) and S. 430 (Engle) and similar bills are pending in Agriculture Committees. N.C.A. opposes application to canning.

Marketing orders and parity—H. R. 642 is pending in House Agr. Com.

Marketing order regions—H. R. 1070 is pending in House Agr. Com.

Premier notification—S. 442 was approved by Senate Antitrust and Monopoly Subcommittee May 7, 1959, and is pending in House Judiciary Committee. H. R. 2325 (Celler) is pending in House Antitrust Subcommittee.

Price increases—advance notice—S. 215 (O'Mahoney) was the subject of hearings by Senate Antitrust and Monopoly Subcommittee in 1959. H. R. 4934 (McGovern) is pending in House Judiciary Committee.

Price increases—public hearings—H. R. 6263 (Reuss) was reported by House Government Operations Committee June 12, 1959. S. 2382 is pending in Senate Banking Committee.

Raw product bargaining—H. R. 1793 (Bow) is pending in House Judiciary Committee.

Robinson-Patman functional discounts—H. R. 4530 was the subject of hearings by House Antitrust Subcommittee in 1959.

Robinson-Patman "good faith" defense—S. 11 was approved by Senate Antitrust and Monopoly Subcommittee May 7, 1959, and is pending in House Judiciary Committee. H. R. 11 is pending in House Judiciary Committee. N.C.A. opposes.

Unemployment compensation—H. R. 7177 (Mills) and H. R. 7178

(Simpson) are pending in House Ways and Means Committee, which concluded hearings in 1959.

Wage-Hour—S. 1046 (Kennedy) was approved, with amendments, by Senate Subcommittee on Labor July 10, 1959, and is pending before the Labor Committee. N.C.A. opposes changes in the overtime exemptions.

Wage-hour agricultural labor—S. 1085 (McNamara), to extend coverage, was the subject of hearings by Senate Subcommittee on Migratory Labor in 1959.

Wage-hour child labor—S. 2141 (McNamara), to eliminate the exemption, was the subject of hearings by Senate Subcommittee on Migratory Labor in 1959.

Waste disposal facilities—H. R. 322 (Byrnes) is pending in House Ways and Means Committee.

FISHERIES LEGISLATION

Construction differential subsidy—H. R. 5421 was passed by the House Aug. 26 and by the Senate, in amended form, Sept. 11, 1959, and is on the Speaker's desk awaiting further House action.

Fisheries Assistance Act (loans)—Bills are pending in Senate Commerce Committee and House MM&F Com.

Fishermen's Protective Act—S. 971 is pending in Senate Commerce Com.

Fishing vessel mortgage insurance—S. 2481 was passed by the Senate Sept. 11, 1959, and is pending in House MM&F Committee.

Mortgage and loan insurance—S. 2342 is pending in Senate Fisheries Subcommittee. Similar bills are pending in House MM&F Committee.

Oyster research—S. 2632, authorizing the FAWS to assist N. J. and Del. in developing disease-resistant oysters, was passed by the Senate Sept. 11, 1959, and is pending in House MM&F Committee.

Polluted shellfish—H. R. 1244 (Colmer) is pending in House Ways and Means Committee and S. 2112 (Jackson and others) is pending in Senate Finance Committee.

Salmon conservation—S. 502 was the subject of hearings by Senate Fisheries Subcommittee, and H. R. 4293 was the subject of a hearing by House Fisheries Subcommittee in 1959.

Salmon predator—S. 1264 was passed by the Senate, with amendment, July 6, 1959, and is pending in House Fisheries Committee.

Shrimp imports—A number of bills to regulate the importation of shrimp are pending in House Ways and Means Committee.

Tuna quotas—H. R. 443, H. R. 447, and H. R. 673 are pending in House Ways and Means Committee.

Forthcoming Meetings

- Jan. 10-13—Super Market Institute, Mid-year Conference, Hotel Americana, Miami Beach
 Jan. 17-19—National Preservers Association, Annual Convention, Deauville Hotel, Miami Beach
 Jan. 17-20—Canning Machinery and Supplies Association, Annual Meeting and Exhibit, Hotel Americana, Miami Beach
 Jan. 18-20—NATIONAL CANNERS ASSOCIATION, 55d Annual Convention, Hotel Americana, Miami Beach
 Jan. 25-27—National Institutional Wholesale Grocers Association, Annual Convention, Riviera Hotel, Las Vegas
 Feb. 9-11—Wisconsin Canners Association, Raw Products Conference, Wisconsin Center Bldg., Madison
 Feb. 19—National Red Cherry Institute, Annual Meeting, Sheraton Hotel, Chicago
 Feb. 23-24—Canadian Food Processors Association, Annual Convention, Seignior Club, Montebello, Que.
 Feb. 26-27—Virginia Canners Association, 52d Annual Convention, Hotel John Marshall, Richmond
 March 2-4—Pennsylvania Canners Association, Canners Workshop, Allenberry Lodge, Boiling Springs
 March 6-10—National Association of Frozen Food Packers, 19th Annual Convention and Exposition, Conrad Hilton Hotel, Chicago
 March 13-16—National-American Wholesale Grocers Association, 54th Annual Convention and Marketing Exposition, Palmer House, Chicago
 March 14-15—Tri-State Packers Association, Spring Meeting, DuPont Hotel, Wilmington, Del.
 March 15—NATIONAL CANNERS ASSOCIATION, Northwest Branch, Annual Canned Salmon Cutting and Technical Conference, Olympic Hotel, Seattle
 March 20-22—Canners League of California, 56th Annual Meeting, Santa Barbara Biltmore, Santa Barbara
 March 22-23—Wisconsin Canners Association, Spring Meetings, Wisconsin Center Bldg. and Lorraine Hotel, Madison
 May 1-4—Super Market Institute, Inc., 23d Annual Convention, Atlantic City

International Trade Fairs

Following is a list of selected international trade fairs to be held during 1960, in some of which USDA's Foreign Agricultural Service will participate:

- March 13-21—Verona, Italy: International Agricultural Fair (FAS exhibit)
 March 28-31—Toronto, Canada: Restaurant Association Convention and Exhibition
 May 2-14—Manchester, England: Grocers' and Allied Trades Exhibition
 May 9-13—Chicago, Ill.: National Restaurant Convention and Exposition
 June 1-20—Barcelona, Spain: International Trade Fair (FAS exhibit)
 June 5-19—Poznan, Poland: International Trade Fair (FAS exhibit)
 Aug. 26-Sept. 4—Hamburg, Germany: International Food and Delicatessen Exhibition (LEFA)
 Sept. 1-17—London, England: British Food Fair (FAS exhibit of foods)
 Sept. 4-13—Zagreb, Yugoslavia: International Trade Fair (FAS exhibit)
 Sept. 4-25—Salonika, Greece: International Trade Fair (FAS exhibit)
 Sept. 23-Oct. 2—Munich, Germany: International Exhibition of Groceries and Fine Foods (IKOFA) (FAS exhibit of foods)
 Sept. 26-Oct. 4—Cologne, Germany: General Provisions and Fine Foods Exhibition (ANUGA)

Tax Reform Legislation

The Chairman of the House Ways and Means Committee has indicated that the Internal Revenue Code will not be overhauled in 1960.

At the conclusion of five weeks of panel discussions on income tax reform, Chairman Wilbur D. Mills issued a statement which summarized the current status of tax reform legislation as follows:

"The purpose of these discussions has been to explore the practical possibility of broadening the tax base and lowering tax rates. Some of the suggestions appear to offer some practical possibilities; others do not. There must be an assessment of the various issues from the standpoint of their effect on fairness among taxpayers, on revenues, on economic growth, on economic stability, and on ability to pay. Before there can be any resolution of the issues raised by these panel discussions there must be a considerable amount of study of all the problems involved. Thus before any plan can be developed, it will be necessary for the staffs of the Committee, the Joint Committee on Internal Revenue Taxation and the Treasury Department to review and analyze the various suggestions which have been made to us and give the Committee the benefit of their views as to their feasibility and practicability. Therefore, I am requesting the staffs to analyze the compendium and the record which was developed and provide the committee such suggestions as they believe meet these standards. After the staffs have completed this study and analysis, and before any over-all general revision proposal can be reported by the Committee, there will, as I have

N.C.A. Files Petition for Standard for Prunes

The N.C.A. on January 7 filed with the FDA a petition proposing the establishment of a definition and standard of identity for canned prunes.

The proposal includes prunes packed with or without a packing medium. The canned prunes could be seasoned with one or more of the following optional ingredients: spice; flavoring, other than artificial flavoring; vinegar; citric acid; lemon juice; unpeeled pieces of citrus fruits.

said in earlier statements, be hearings and an opportunity for the interested public to express its views. It will not be possible for the staffs to complete this analysis in the remainder of this Congress. Thus it will not be possible for the Committee on Ways and Means, itself, to give specific consideration in 1960 to any broad proposals of tax revision based on these discussions.

"It is certainly my thought that our tax rates are much too high from the standpoint of incentives and economic growth. I hope that as a result of these hearings and their analysis by the staffs we will be able to find some means for making an adjustment in the tax rates through revision in the tax base while at the same time keeping the level of revenue collections sufficient to meet essential expenditure requirements."

The Chairman's statement does not rule out consideration of tax legislation next year on a "piecemeal" basis.

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